

LTAC Meeting

March 6, 2023

Jackie Lalor

Economic Development & Tourism Program Administrator



February 14 Meeting- Minutes Approval

DRAFT MEETING MINUTES

Tuesday, February 14, 2023
1:00 - 3:00 p.m.

Prepared by Jackie Lalor, Staff Liaison jlalor@redmond.gov

LTAC Members Present:

- Steve Fields, Council Chair
- Dan Angellar
- George Manojlovic
- Melody Lanthorn
- Nancy Heard

City of Redmond Staff Present:

- Jackie Lalor & Philly Marsh - Economic Development and Tourism
- Loreen Hamilton - Parks and Recreation Director

Agenda:

1. November 7, 2022 meeting minutes approval
 - i. LTAC Action: Approved**
2. General Updates
 - a. Membership update
 - i. Latha Sambamurti is seeking another four-year reappointment – going to Council in March for approval*
 - ii. Dave Norwood resigned and there is now a hotelier position open for appointment*
 - b. Tourism Promotion Area (TPA) update
 - i. Draft Interlocal Agreement (ILA) with the City of Bellevue was approved by both the Redmond City Council and Bellevue City Council*
 - ii. Progressing to the Department of Revenue for next steps*
 - iii. Expected revenue collection to start in July 2023 with revenues available for expenditures in October 2023*
 - c. Experience Redmond website updates
 - i. Website upgrade starting soon through Economic Development funds (not lodging tax funds)*
 - d. Rules and Procedures - status update
 - i. Staff have an initial draft and are continuing to review and edit*

Meeting **Agenda**

WELCOME

- February 14 meeting minutes approval
- Bullseye Creative - Experience Redmond marketing update
- Fund allocations discussions (continued)





Bullseye Creative

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Marketing Update

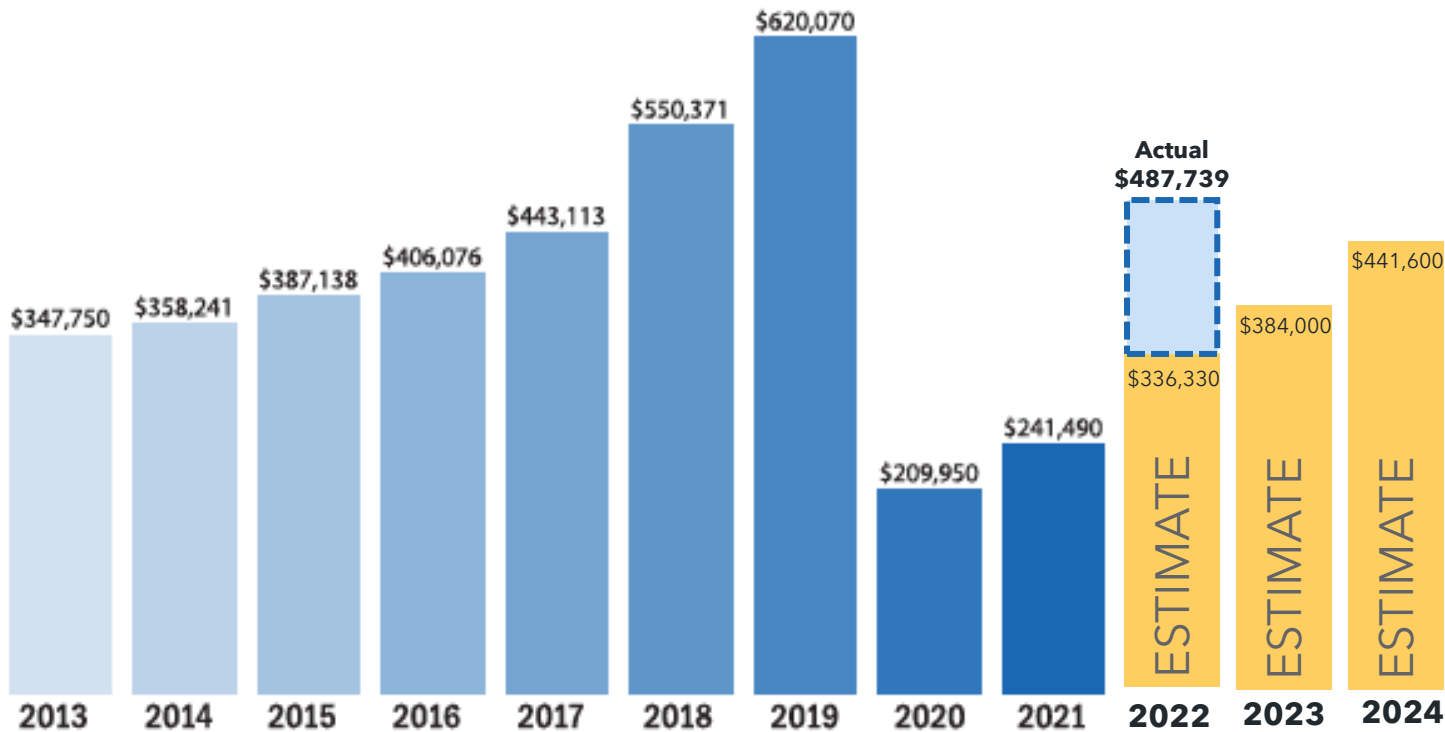


February 14 LTAC Meeting

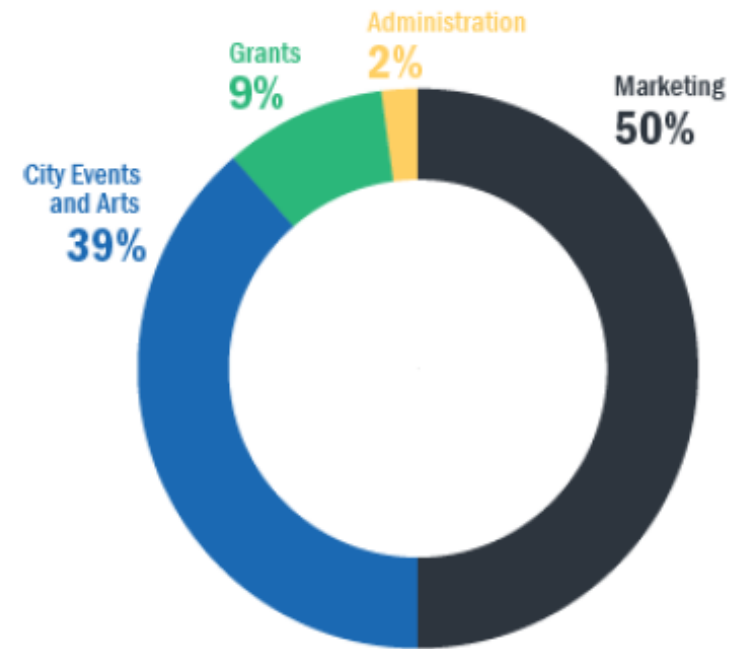
Quick Recap

Lodging Tax Fund Estimates

Historical annual revenue amounts from lodging tax is as follows:



In 2005, Redmond City Council approved the distribution of funds to be as follows:



Current End-Fund Balance

Approximately \$735K





Local Research

**To help make an informed Council
recommendation on Lodging Tax fund
budgeting process**

Marketing

\$178,000

Fixed Cost
through
July 2024
(Redmond)

| City | Lodging Tax Budget Estimate (recent) | City-owned Events (tourism dollar funding) | % | Event & Program Grants | % | Marketing (DMO) | % | Facilities (visitor bureau, performing arts center etc.) | % | Administrative & Overhead | % |
|-------------|--------------------------------------|--|-----|------------------------|-----|-----------------|-----|--|-----|---------------------------|-----|
| Issaquah | \$ 220,000 | \$ - | 0% | \$ 50,000 | 23% | \$ 180,000 | 82% | N/A | N/A | \$ - | 0% |
| Bothell | \$ 410,000 | \$ - | 0% | \$ - | 0% | \$ 248,000 | 60% | \$ 66,000 | 16% | \$ 118,000 | 29% |
| Kent | \$ 280,000 | \$ - | 0% | \$ 106,000 | 38% | \$ 122,000 | 44% | N/A | N/A | \$ 25,000 | 9% |
| Kirkland | \$ 305,000 | N/A | N/A | \$ 60,000 | 20% | \$ 116,000 | 38% | \$ 0 | 0% | \$ 129,100 | 42% |
| Woodinville | \$ 125,000 | N/A | N/A | \$ 54,500 | 44% | \$ 44,500 | 36% | \$ 26,000 | 21% | N/A | N/A |
| Redmond | \$ 487,000 | \$ 150,000 | 31% | \$ 217,500 | 45% | \$ 178,000 | 36% | N/A | N/A | \$ 11,900 | 2% |
| Renton | \$ 700,000 | \$ 49,000 | 7% | \$ 385,000 | 55% | \$ 140,000 | 20% | \$ 126,000 | 18% | N/A | 0% |

Ranges from 20% - 82% based on the research conducted. Redmond was at 36% in 2022.

Tourism Grants

\$154,000
allocated in
2023
(Redmond)

| City | Lodging Tax Budget Estimate (recent) | City-owned Events (tourism dollar funding) | % | Event & Program Grants | % | Marketing (DMO) | % | Facilities (visitor bureau, performing arts center etc.) | % | Administrative & Overhead | % |
|-------------|--------------------------------------|--|-----|------------------------|------------|-----------------|-----|--|-----|---------------------------|-----|
| Renton | \$ 700,000 | \$ 49,000 | 7% | \$ 385,000 | 55% | \$ 140,000 | 20% | \$ 126,000 | 18% | N/A | N/A |
| Redmond | \$ 487,000 | \$ 150,000 | 31% | \$ 217,500 | 45% | \$ 178,000 | 36% | N/A | N/A | \$ 11,900 | 2% |
| Woodinville | \$ 125,000 | N/A | | \$ 54,500 | 44% | \$ 44,500 | 36% | \$ 26,000 | 21% | N/A | N/A |
| Kent | \$ 280,000 | \$ - | 0% | \$ 106,000 | 38% | \$ 122,000 | 44% | N/A | N/A | \$ 25,000 | 9% |
| Issaquah | \$ 220,000 | \$ - | 0% | \$ 50,000 | 23% | \$ 180,000 | 82% | N/A | N/A | \$ - | 0% |
| Kirkland | \$ 305,000 | N/A | 0% | \$ 60,000 | 20% | \$ 116,000 | 38% | \$ 0 | 0% | \$ 129,100 | 42% |
| Bothell | \$ 410,000 | \$ - | 0% | \$ - | 0% | \$ 248,000 | 60% | \$ 66,000 | 16% | \$ 118,000 | 29% |

Redmond
29% in
2023

29% in 2023

Ranges from 0% - 55% based on the research conducted. Redmond was at 45% in 2022 but **is allocating 29% in 2023** (assuming a lodging tax revenue of 525K).

Administration

\$7,600
Budgeted in
2023
(2% of fund
estimates for
Redmond)

| City | Lodging Tax Budget Estimate (recent) | Administrative & Overhead | % | Notes |
|-------------|--------------------------------------|---------------------------|------------|--|
| Kirkland | \$ 305,000 | \$ 129,100 | 42% | Personnel/Salaries/Benefits = 104K Internal Services (IT support, equipment etc.) = 23.6K Liability Insurance = 1.5K TOTAL is 129,100 |
| Bothell | \$ 410,000 | \$ 118,000 | 29% | 29% towards staff salary and the rest comes from the general fund. Marketing will go up when funds go up. They have a hold on their grant program until more funds come in. |
| Kent | \$ 280,000 | \$ 25,000 | 9% | They spend 20-25K on internal overhead costs (allocated here to administrative), 122K on marketing, any extras after those expenditures goes to grants. |
| Redmond | \$ 487,000 | \$ 11,900 | 2% | One part-time staff member currently being covered by 2% of lodging tax and the rest of their salary is covered by ARPA funds. |
| Issaquah | \$ 220,000 | \$ 0 | 0% | The administration and staff expenditures are not currently covered by lodging tax money. They discussed adding them in during last year's budgeting process, but it was found that not enough staff time was spent on LTAC to make it worth allocating costs there at the time. |
| Renton | \$ 700,000 | N/A | N/A | Currently no Tourism department or staff. Lodging tax funds have doubled in recent years due to new hotels. |
| Woodinville | \$ 125,000 | N/A | N/A | No administrative staff. All allocated lodging tax dollars goes to grants (which includes 25K to the visitor center, and 44.5K to marketing DMO). Only 2 hotels and few B&B. |

Ranges from 0% - 42% with over half of the cities having dedicated administrative work time or staff. Redmond is currently at a 2% allocation.

City Signature Events

\$150,000
Budgeted in
2023 and
2024
(Redmond)

| City | City Managed Events | Lodging Tax Budget Estimate (recent) | City-owned Events (tourism dollar funding) | % | Event & Program Grants | % | Marketing (DMO) | % | Facilities (visitor bureau, performing arts center etc.) | % | Administrative & Overhead | % |
|-------------|---|--------------------------------------|--|------------|------------------------|-----|-----------------|-----|--|-----|---------------------------|-----|
| Redmond | Yes | \$ 487,000 | \$ 150,000 | 31% | \$ 217,500 | 45% | \$ 178,000 | 36% | N/A | N/A | \$ 11,900 | 2% |
| Renton | Yes | \$ 700,000 | \$ 49,000 | 7% | \$ 385,000 | 55% | \$ 140,000 | 20% | \$ 126,000 | 18% | N/A | 0% |
| Bothell | Yes | \$ 410,000 | \$ - | 0% | \$ - | 0% | \$ 248,000 | 66% | \$ 66,000 | 16% | \$ 118,000 | 29% |
| Kent | Yes | \$ 280,000 | \$ - | 0% | \$ 106,000 | 38% | \$ 122,000 | 44% | N/A | N/A | \$ 25,000 | 9% |
| Issaquah | Yes | \$ 220,000 | \$ - | 0% | \$ 50,000 | 23% | \$ 180,000 | 82% | N/A | N/A | \$ - | 0% |
| Kirkland | No (3rd Party Vendors) | \$ 305,000 | N/A | N/A | \$ 60,000 | 20% | \$ 116,000 | 38% | \$ 0 | 0% | \$ 129,100 | 42% |
| Woodinville | No- (Chamber handles: 40K granted for Summer and Winter events) | \$ 125,000 | N/A | N/A | \$ 54,500 | 44% | \$ 44,500 | 36% | \$ 26,000 | 21% | N/A | 0% |

Ranges from 0% - 31%. Redmond is currently at a 31% for city owned event allotments for 2022.
In 2023, Redmond's percent will drop to 29%

Summary of Findings

End-Fund Balance 'Target' Practice by City

Woodinville's LTAC Approved Practice

Maintaining an end-fund target of 60% of a rolling three-year average of revenues (*for Redmond, with taking out covid years, this would be 387K*)

Issaquah's Practice

Maintaining an end-fund target of average annual revues (*for Redmond, with taking out covid years, this would be around 550K*)

Kirkland's Recommendation*

Maintaining an end-fund target of 50% of the previous year's revenue. (*for Redmond, with taking out covid years, this would be around 250K*)

**Currently
\$735,000**

*from old documentation - this may be outdated information

Summary of Budget Findings

- All cities contacted do line-item budgeting (not percentage based)
- Redmond spends more than any other city contacted on city managed signature events
- Redmond seems to be fairly in line with other cities on our granting program
- Redmond spends slightly less than other cities contacted on marketing
- Redmond does not spend money on facilities at this time and does not appear to have an applicable facility but this is something to keep in mind for the future
- Redmond is underspending in the administrative and overhead area compared to contacted cities
- Some other cities have an end-fund target policy, practice, or recommendation

Discussion on Findings

| City | City Managed Events | Lodging Tax Budget Estimate (recent) | City-owned Events | % | Event & Program Grants (tourism dollar funding) | % | Marketing (DMO) | % | Facilities (visitor bureau, performing arts center etc.) | % | Administrative or Overhead | % |
|-------------------------------|---|--------------------------------------|-------------------|-----|---|-----|-----------------|-----|--|-----|----------------------------|-----|
| Redmond | Yes | \$ 487,000 | \$ 150,000 | 31% | \$ 217,500 | 45% | \$ 178,000 | 36% | N/A | N/A | \$ 11,900 | 2% |
| Total (not including Redmond) | 4 out of 6 cities manage their own events = 67% | \$ 2,040,000 (340K average) | \$ 49,000 | 2% | \$ 655,500 | 32% | \$ 850,500 | 42% | \$ 218,000 | 11% | \$ 272,100 | 13% |

2/14 Meeting Recap

Parks Director Hamilton

- Redmond Signature Events are unique in their size & scale
 - Closer to large, multi-day festivals for comparison
- Utilize marketing channels to target visitors from more than 50 miles away (radio/digital advertisements, social media)
- Recognize the need for better data on event attendees
- Willing to come to future meetings to discuss event plans, performance metrics, or general Q&A
- Open to feedback and ideas from the LTAC on how to increase tourism opportunities



LTAC Discussion



What are your thoughts on the current LTAC budgeting percentages and process?

LTAC Recommendations



**Are there any recommendations you would like to
bring forward to Council?**



Thank You

Any Questions?

